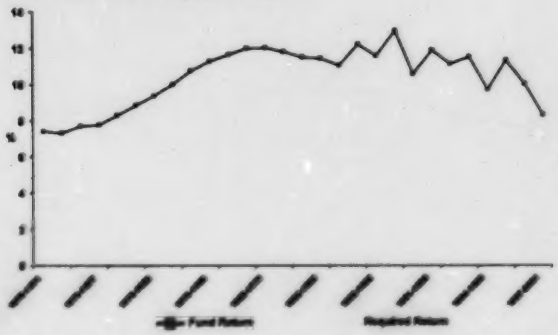
Investment Strategy Overview

The Fund is balanced between high quality bond investments, a value oriented bias to stock investments, a mix of real estate, and direct oil and gas investments. This should position us well to achieve the Fund's objective of earning relatively high returns while assuming conservative levels of risk.

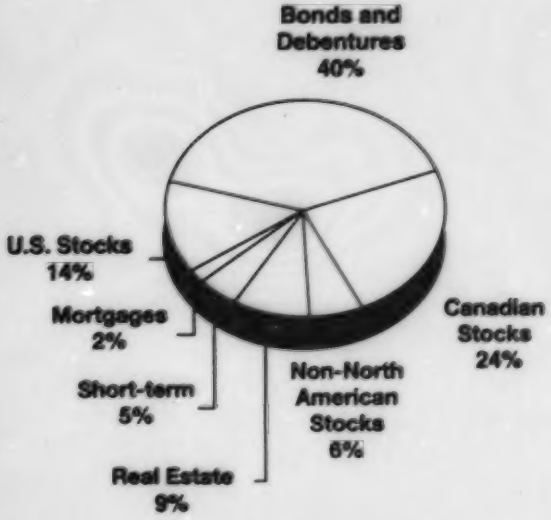
Performance of your Fund investments over the long-term continues to exceed actuarial requirements. Investment decisions are made with this long-term horizon in mind.

Civil Service Superannuation Fund Rate of Return

Five-Year Moving Average

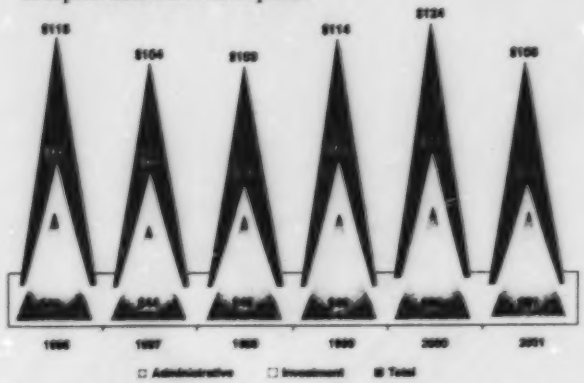


Fund Investments



Administration and Investment Cost

The Board's annual administration and investment cost per member continues to be one of the lowest for complex defined benefit plans.



COLA Concerns
When inflation is low (about 1%), the indexing account is able to pay for COLA increases. Should inflation reach moderate levels, e.g. 4%, a funding deficiency could result and the payment of 2/3 of the CPI may not be possible. Improvements are needed to the COLA program to ensure these increases in the future.

CIVIL SERVICE SUPERANNUATION BOARD

2001 REPORT TO MEMBERS

We are pleased to provide you with this summary of the Civil Service Superannuation Board's (Board) 2001 Annual Report. This new format provides an executive summary for anyone who is interested in an overview of the Board's operations. For those members who are interested in details, you can request a copy of the Annual Report in its entirety by contacting the Board office, or it can be viewed on our web site at www.cssb.mb.ca.

Highlights

($ THOUSANDS)

	2001	2000
Market Value of Investments	$2,240,470	2,140,549
Investment Income	$105,243	191,140
Investment Rate of Return	5.1%	9.8%
Investment Benchmark	0.5%	8.4%
Employee Contributions	$63,601	52,250
Employer Payments	$72,642	70,693
Pension Payments	$144,034	129,437
Refunds and Transfers	$15,598	18,046
Employees and Former Employees	27,580	26,380
Pensioners and Beneficiaries	11,433	10,999
Total Members	39,013	37,379

Member Services

The Board offers the following services to members and their families:

- Individual meetings
- Pre-Retirement Planning Seminars
- Employee Pension and Insurance Seminars
- Personal and General Enquiries

Highly qualified staff are available to meet your information needs.

Message from the Chair

– Gary N. Coopland

Pension plans were challenged towards the end of 2001 after the tragic events of September 11th. Until that point, many plans had enjoyed years of successful investing in the equity market. In an instant, their impressive gains were recaptured, many surpluses depleted, and contribution holidays cancelled. Your pension plan was not affected to the same extent as most others due to the conservative nature of our investment policy and its management by our investment team.

The conservative and prudent nature in which we make investment decisions on your behalf resulted in the Civil Service Superannuation Fund (Fund) earning a rate of return in excess of 5% for the year which exceeded its benchmark return of 0.5%. You can rest assured that our commitment to provide you with secure pension benefits is always at the forefront of every decision we make.

Board staff continued to provide extraordinary service to its members during 2001. With the creation of an on-line pension estimator, improved administrative and investment communications, and quick turnaround times, we can be proud to be part of a leading edge team.

The Board and I would like to thank the people who serve you at the Board office for an exceptional year.

General Manager's Message

– Robert H. Covernton

In an effort to continually meet your individual needs, information systems and communications services continued to be improved upon during 2001. We have the speed, accuracy, and functionality to provide you with high quality pension and investment services.

One of the unique additions to our available services was the creation of an on-line pension estimator. Developed during the year, the estimator was made available in March 2002. From the comfort of your home, you can access your personal account in a secure environment and estimate your pension amount for any retirement scenario that you choose.

The security of your pension benefits will always be an important objective of the Board. Even after the events of September 11th, your Fund held strong. Our ongoing commitment to regularly review the investment holdings, have them diversified and ensure that prudent decisions are being made with your money is reflected in our outstanding performance.

I would like to thank the Board for its continued vision and leadership and our employees for their unparalleled dedication and hard work. Due to their outstanding efforts, the Board has consistently been able to provide superior service to its active and retired members which is comparatively less costly than other complex defined benefit plans.

For more information ...

You may make an appointment to view any of the following at the Board office:

- a copy of The Civil Service Superannuation Act (Act) and all amendments
- the Annual Information Return submitted each year to the Pension Commission of Manitoba
- a copy of the latest Actuarial Valuation Report

Upon request, the Board will provide members, spouses/common-law partners or authorized representatives with detailed information and explanations regarding benefits payable in the event of a member's retirement, death, separation of a marriage/common-law relationship or termination of employment.

On-Line Pension Estimator

Visits to the CSSB web site rose substantially in 2001. With this in mind, the Board developed an on-line pension estimator during 2001 and released it to the membership during the Spring of 2002. We are committed to further enhancing electronically accessible services for Plan members.

Board Members

Chair

Gary N. Coopland

Employee Representatives

Rod Bond, *Manitoba Hydro - Electric Board*
Ray Erb, *MGEU*
Denis Fitzpatrick, *Interlake Regional Health Authority*
Susan Rusk, *Intergovernmental Affairs*

Employer Representatives

Tom Bleasdale, *Retiree*
Gabriel Forest, F.C.A., *Chartered Accountant*
Carmele Peter, *Solicitor*
Dr. Les Ullyot, *Medical Doctor*

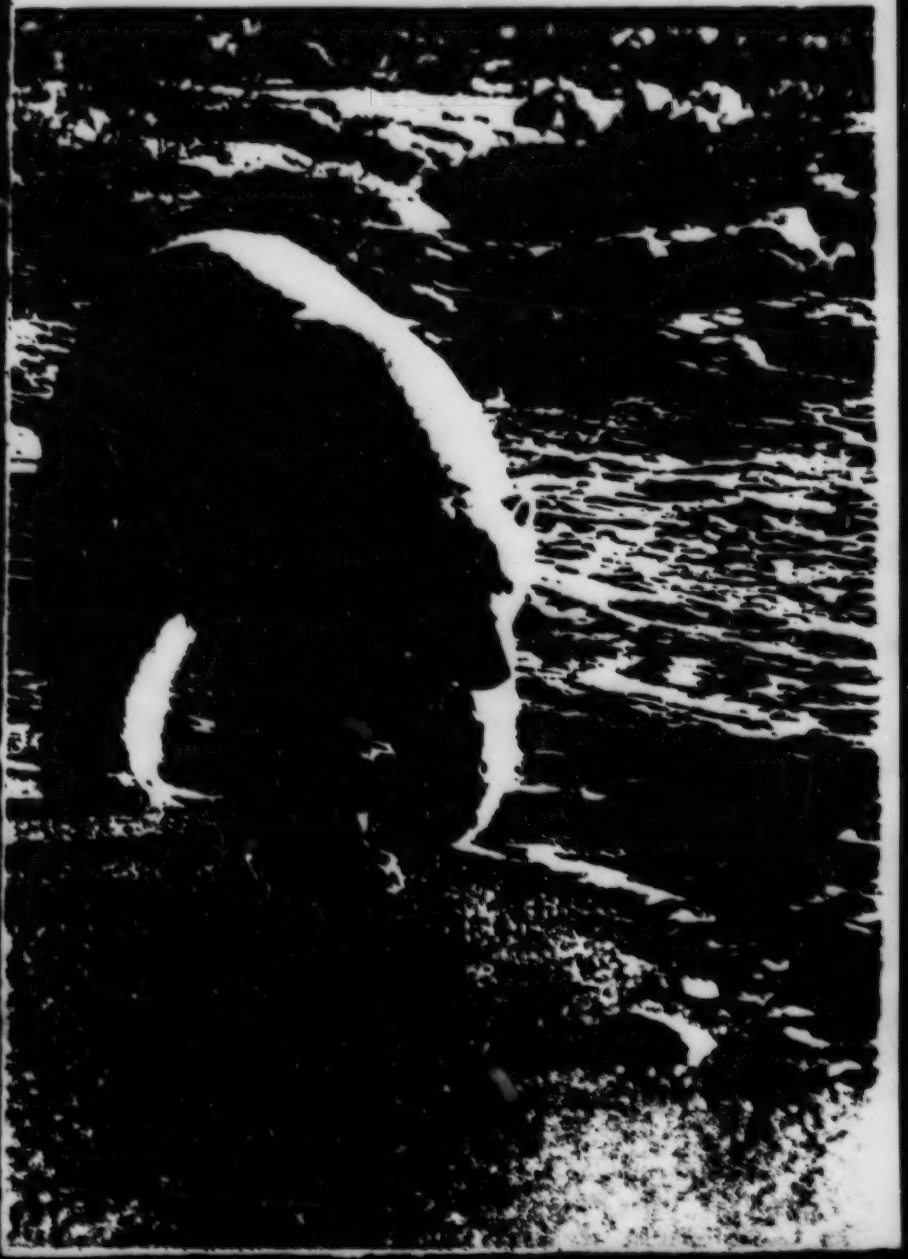
As the Plan Trustee, the Board is required to

- manage the Fund in accordance with the rules of the Pension Plan, governing legislation, and common law in the interest of Plan members and their beneficiaries
- obtain an actuarial valuation every three years
- regularly review its investment policy
- obtain an independent audit each year
- prepare an Annual Report
- ensure that the Board staff fulfill the investment and administrative obligations set out in the Act and comply with the requirements of both the Pension Benefits Act of Manitoba and the Income Tax Act
- delegate the day-to-day management to the General Manager and staff
- provide overall direction and approval of policy items

Investment Policies and Procedures

Investment decisions are based on the Fund's Statement of Investment Policies and Procedures (SIP&P) which is approved by the Fund's Board. The single most important determinant of pension fund performance is asset mix. The SIP&P guides the actions of those who administer it to produce relatively high returns while assuming a relatively low degree of risk. Over the 20 years since the first formal policy was established, the Fund's investments have generally been successful in achieving these goals.

Manitoba Civil Service Superannuation Board



Cover Photo courtesy of TRAVEL MANITOBA

102-05754/

For more information ...

You may make an appointment to view any of the following at the Civil Service Superannuation Board (Board) office, Monday to Friday (except holidays) from 8:00 a.m. to 4:30 p.m.:

- a copy of The Civil Service Superannuation Act (Act) and all amendments
- the Annual Information Return submitted each year to the Pension Commission of Manitoba
- a copy of the latest Actuarial Valuation Report

Upon request, the Board will provide members, spouses or authorized representatives with detailed information and explanations regarding benefits payable in the event of a member's retirement, death, marriage separation, or termination of employment.

Client services provided throughout Manitoba

Individual Consultations

- private, personalized information service
- appointments should be made in advance to avoid delays

Pre-Retirement Planning Seminars

- one day sessions for employees planning to retire
- discussion includes benefits and lifestyle adjustment
- spouses are encouraged to attend

Benefit Information Seminars

- 2–3 hours duration
- focus on pension and group insurance

To arrange for any of the above services in your area please contact

Civil Service Superannuation Board

1200-444 St. Mary Ave.
Winnipeg MB R3C 3T1

Telephone: (204) 957-8722
Fax: (204) 945-0237
Canada-Wide Toll-Free Number: 1-800-432-5134

World Wide Web page: www.cssb.mb.ca
E-mail: askus@cssb.mb.ca

Table of Contents

Letter to the Lieutenant Governor 2

Letter to the Minister 3

Board Members 4

Civil Service Superannuation Board 5

Highlights 6

Message from the Chair 7

General Manager's Message 9

Investments 11

Investment Strategy Overview 20

Your Pension Plan 22

Member Services 23

Members/Retirements 24

Employees/Former Employees 25

Paying Your Benefits 26

Employee Contributions/Employer Payments 27

Cost-of-Living Allowance 28

Funding of Pension Benefits 29

Administration and Investment Cost 31

Six-Year Comparative Statistics 32

Financial Report

Management Report 33

Report of the Office of the Provincial Auditor 34

Financial Statements 35

Letter to the Lieutenant Governor

MINISTER RESPONSIBLE
FOR THE CIVIL SERVICE SUPERANNUATION ACT

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

April 24, 2002

To The Honourable Peter M. Liba
Lieutenant Governor of Manitoba

May It Please Your Honour:

As Minister Responsible, I have the privilege of presenting for the information of Your Honour, the 63rd Annual Report of the Manitoba Civil Service Superannuation Board for the calendar year ended December 31, 2001.

Respectfully submitted,

HONOURABLE GREG SELINGER
Minister of Finance,
Minister Responsible for
The Civil Service Superannuation Act

Letter to the Minister

Manitoba

The Civil Service Superannuation Board

1200-444 St. Mary Ave. Winnipeg, Manitoba R3C 3T1 CANADA

April 24, 2002

Honourable Greg Selinger
Minister of Finance
Minister Responsible for
The Civil Service Superannuation Act
Room 103 Legislative Building
Winnipeg MB R3C 0V8

Sir:

In conformity with the provisions of The Civil Service Superannuation Act, I am pleased to forward to you, the Minister Responsible for The Civil Service Superannuation Act, the 63rd Annual Report of the Manitoba Civil Service Superannuation Board.

This report covers the period January 1, 2001 to December 31, 2001 and includes a review of the Board's activities for that period as well as the Report of the Provincial Auditor and attached audited financial statements for that period.

Respectfully submitted,

GARY N. COOPLAND, CHAIR
Civil Service Superannuation Board

Board Members

Chair

Gary N. Coopland

Employee Representatives

Rod Bond
Manitoba Hydro - Electric Board
Manitoba Hydro Representative

Ray Erb
MGEU
Civil Service Representative

Denis Fitzpatrick
Interlake Regional Health Authority
Civil Service Representative

Susan Rusk
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Civil Service Representative

Employer Representatives

Gabriel Forest, F.C.A.
Chartered Accountant

Carmele Peter
Solicitor

Dr. Les Ulyot
Medical Doctor

Tom Bleasdale
Retiree

CSSB Management

Robert H. Covernton
General Manager

Allen Borle
Director, Finance

Robert Derksen
Director, Communications and Client Services

Dean Lash
Director, Investment Communications and Management Services

Robert Riddell
Director, Management Information Systems

Bruce Schroeder
Director, Client Services Administration

Chief Investment Officer

Lindsey Fuller, C.F.A.

Consulting Actuary

Ellement and Ellement Ltd.

Financial Statement Review Committee

Gabriel Forest, F.C.A.
Chair, Chartered Accountant

Carmele Peter
Solicitor

Susan Rusk
Intergovernmental Affairs,
Employee Representative

Civil Service Superannuation Board

THE BOARD has the fiduciary responsibility for the administration of the Plan and management of the investment funds in the best interest of all present and future Plan members, pensioners and beneficiaries. It is also responsible to

- ensure that the staff fulfill the investment and administrative obligations set out in the Act and comply with the requirements of both the Pension Benefits Act of Manitoba and the Income Tax Act
- delegate the day-to-day management to the General Manager and staff
- provide overall direction and approval of policy items

These duties are vested in nine members, four of whom are elected by participating employees, and four members and a chairperson who are appointed by Government. The Board meets 10 to 12 times per year.

As the Plan trustee, the Board is required to

- manage the Civil Service Superannuation Fund (Fund) in accordance with the rules of the Pension Plan, governing legislation, and common law in the interest of Plan members and their beneficiaries
- obtain an actuarial valuation every three years
- regularly review its investment policy
- obtain an independent audit each year
- prepare an Annual Report

Organizational Structure

The day-to-day management of investment assets and delivery of pension and insurance benefits is accomplished by a dedicated and diverse team consisting of approximately 40 staff members.

Highlights

Civil Service Superannuation Board Annual Report

Highlights ($) THOUSANDS	2001	2000
Market Value of Investments	**$2,240,470**	$2,140,549
Investment Income	**$105,243**	$191,140
Investment Rate of Return	**5.1%**	9.8%
Employee Contributions	**$63,601**	$52,250
Employer Payments	**$72,642**	$70,693
Pension Payments	**$144,034**	$129,437
Refunds and Transfers	**$15,598**	$18,046
Administrative Expenses	**$1,803**	$1,973
Investment Expenses	**$2,164**	$2,664
Employees and Former Employees	**27,580**	26,380
Pensioners and Beneficiaries	**11,433**	10,999
Total Members	**39,013**	37,379

Message from the Chair

Gary N. Coopland

2001 had some positives and some terrible negatives. You cannot write down your thoughts regarding the main events of the year without acknowledging the remarkable and incomprehensible tragedy that took place on September 11th. Everyone's life was affected forever as many people lost their lives, and those left behind had to cope with a new reality. Lack of consumer confidence forced companies to close their doors and many people lost jobs.

You may recall that in 1998 I referred to the world wide stock market correction that occurred during that year and its subsequent rebound prior to year-end. I mentioned that a conservatively run pension plan, such as yours, doesn't have its financial soundness affected by those types of short-term fluctuations. World markets had taken time to react to September 11th and rebounded, but not before the world had changed forever. Your Plan, however, was left unburdened as it's managed in a prudent, risk-adverse and diversified manner. As a result, investments substantially outperformed their investment benchmark of 0.5%, earning 5.1% for the year. This means that almost $94 million more was added to the Fund during the year as a result of this active management. This also contributes to the fact that the investment returns, on average, have exceeded actuarial requirements over the last 30 years.

These results are made possible by being able to assemble a well-qualified team of investment professionals. They, along with your Board staff, are the major reason why we can provide you with a superior benefits program. Whether you're a member who's still in the workforce or a retiree, administration works together to ensure that you can be comforted with the knowledge that your benefit will be available.

We wouldn't have the ability to administer your Plan without the professionals that I mentioned earlier. They work to provide you with effective communications, fast service response to your requests, as well as superior investment results. The Board and I want to thank them for their ongoing efforts to maintain these high professional standards and we look forward to their continuing success in 2002.

GARY N. COOPLAND
Chair

General Manager's Message

Robert H. Covernton

2001 was as challenging and rewarding as any other year. It is hard to imagine what our administrative structure would look like without the technological platform from which we serve our clients. Our state-of-the-art information systems and technology supports the speed and functionality with which we continue to provide and improve the high quality of our pension and investment services. We are well positioned to adapt to the ever-changing needs of our members and their employers in addition to meeting future challenges.

One of the ways that these needs and challenges were met head-on during the year was when our information systems team setup a unique on-line pension estimator on our web site. You will be able to use secured information from your account with the Board in order to estimate your personal pension amount while exploring the various retirement options. The estimator includes on-line help in the form of FAQ's and video presentations.

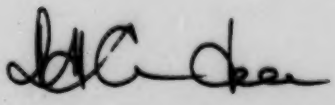
The Board, along with staff, have the security of your benefits as an ultimate concern and focus. We demonstrate this through such actions as prudently managing the Fund's assets, providing direction on investment decisions, conducting seminars and personal interviews, and responding to other information requests through the distribution of newsletters and an Annual Report. We provide monthly pension payments, use superior information systems and technology, and employ effective accounting methods and controls.

North America, along with the rest of the world, stopped the morning of September 11th as everyone watched in disbelief that terrorism could hit so close to home, and in such a destructive fashion in a free society. The World Trade Centre housed many businesses in the investment community. The decision to close world markets

for an unprecedented five days left investors, who were not well positioned, at the mercy of this pandemonium. This Fund, on the other hand, was well protected through its diversified asset mix and produced formidable results by year's end.

The Pension Commission of Manitoba, under the authority of the Pension Benefits Act of Manitoba, performed a Pension Administration Review of the Fund in 2001. The purpose of this Review was to ensure that the pension plan administration is in compliance with regulatory requirements legislated by the Pension Benefits Act of Manitoba. The Pension Commission's report to the Board indicated that its administrative procedures meet the regulatory requirements.

I would like to thank the Board for its continued vision and leadership and our employees for their unparalleled dedication and hard work. Due to their outstanding efforts, we have consistently been able to provide superior service at a reasonable cost.



ROBERT H. COVERNTON
General Manager

Investment Committee

Members of the Investment Committee are appointed by the Lieutenant Governor in Council based on their investment expertise, legislative requirements or, in the case of the employee representative, elected by the employee representatives of the Board.

Committee Members

G. N. Coopland – Chair, Investment Committee** and CSSB
(retired Vice-President Investments,
The Great-West Life Assurance Company)

R. E. Archer – Retired Executive Vice-President Investments and Trusts,
Investors Group (past CSSB Chair)*

R. H. Covernton – General Manager, CSSB**

C. E. Curtis – Retired Deputy Minister of Finance, Province of Manitoba*

R. Erb – MGEU (employee representative)**

J. P. Gannon – Deputy Minister of Finance, Province of Manitoba**

The Investment Committee also manages the assets of the Manitoba Hydro Employer Fund and three Centra Gas portfolios. Manitoba Hydro appointed the following person as their representative to those committees in conjunction with the above members.

R. Bond – Treasurer, Manitoba Hydro-Electric Board

* appointed based on investment expertise
** required by legislation

Investment Report

Policies and Procedures

Investment decisions are based on the Fund's Statement of Investment Policies and Procedures (SIP&P) which is established by the Fund's Board. The SIP&P includes such parameters as asset mix, investment quality, holding limits, investment objectives, valuation procedures and the investment management structure. The single most important determinant of pension fund performance is asset mix. Different risk elements relating to market volatility and potential returns are factored into an investment decision. Investments that produce lower returns generally are a result of lower risk or volatility. In order to optimize returns and reduce investment volatility, Fund assets are diversified among the various asset classes, including short-term investments, bonds and debentures, and equities, as well as across the world's economic regions.

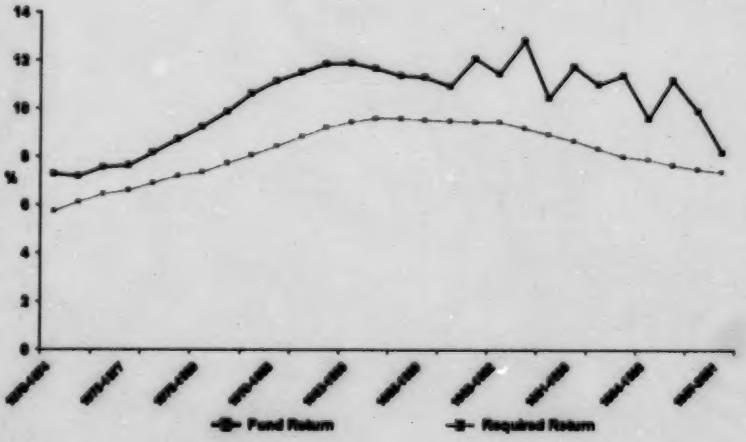
Investment Decisions Reflect Policies and Procedures

Long-Term Success of Investment Policy

Ultimately, the success of the Fund's investment policy is measured by how it meets the long-term obligations to its members. The best way to measure this obligation is to use the actuarial valuation for the Fund, which is provided every three years. The following chart illustrates how well the investment performance has met this test. The chart shows the five-year moving average of the Fund's returns in comparison with the actuarial required return that will provide for the Fund's long-term obligations.

Civil Service Superannuation Fund Rate of Return

Five-Year Moving Average

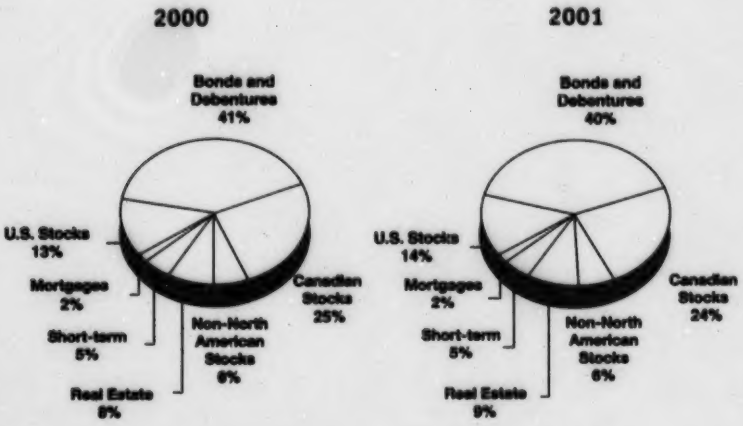


Governance

To ensure compliance with established guidelines, the asset mix of the Fund is constantly monitored by the Chief Investment Officer and reviewed monthly by the Fund's Investment Committee. The Fund had the following asset mix as a percentage of the total investments at market value:

Investment Committee Ensures Policy Compliance

Fund Investments

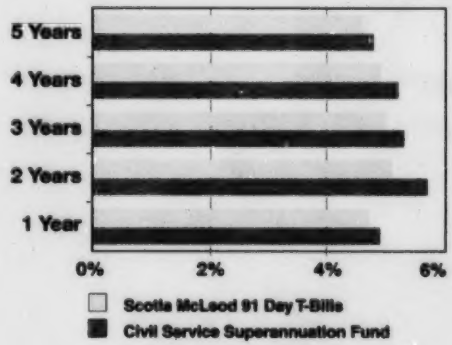


Asset Classes & Their Performance

The total Fund rate of return was 5.1% compared to a benchmark return of 0.5%. Approximately 30% of the outperformance was due to asset mix decisions such as the general underweighting of equities and the overweighting of our value based internal portfolio managers. The remaining 70% was due to security selections, in which the internal managers played a large part.

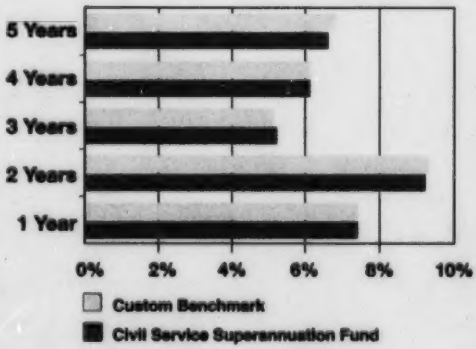
Cash and Short-term

The cash and short-term component of the portfolio returned 4.9% in 2001.



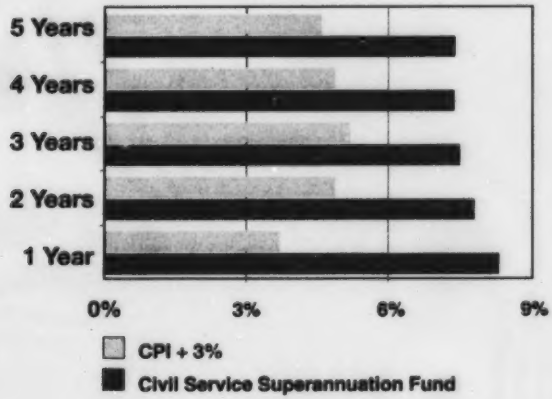
Bonds and Debentures

The bond portfolio returned 7.4% for the year, matching the performance of the benchmark. As equities deteriorated throughout the year, investors sought the relative safety of the bond market. This demand, combined with easing monetary policy, resulted in lower yields and capital gains as prices improved.



Real Return

As a result of the SIP&P adopted in 1999, real return investments were designated as a vehicle to fund the Cost-of-Living Account for future benefits. The investments held in this part of the portfolio yielded 8.3% in 2001 versus its benchmark of 3.7% for the same period.

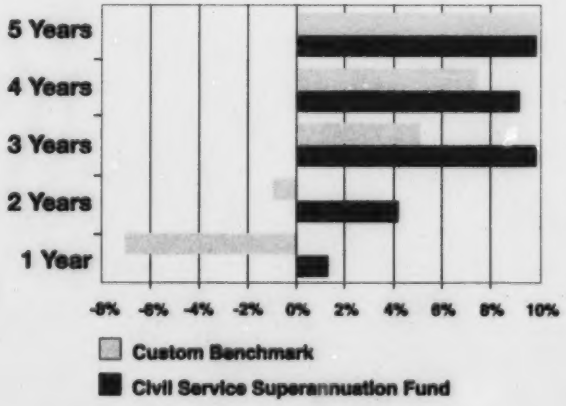


Total Equity

The indices used to measure the performance of the Fund's stock portfolio are Canada's Toronto Stock Exchange 300 5% Cap Index (TSE 300 5% Cap), the U.S. Standard & Poor's 500 Index (S&P 500) and The Morgan Stanley Capital International Index for Europe, Australia and Far East (MSCI EAFE). Based on the Fund's SIP&P, an assumed equity mix of 24% Canadian, 16% U.S. and 9% EAFE countries for total Fund assets is considered normal. As a percentage of total equity investments, this translates into 49% Canadian, 33% U.S. and 18% EAFE countries. This is referred to as the benchmark for total equities.

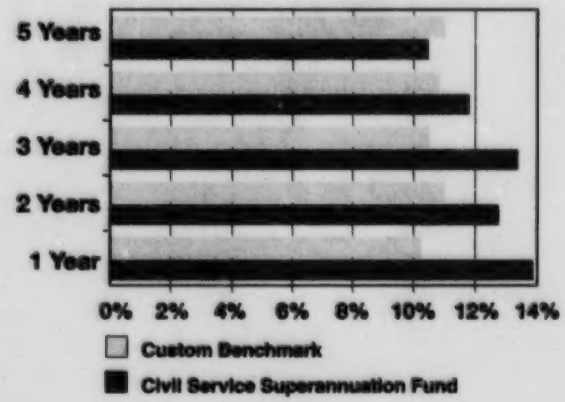
The Fund's equity assets performed very well in a difficult year, delivering a total return of 1.3% compared to a benchmark of negative 7.1%. The Fund's internal managers were the main factor behind this relative success. Their focus on value and low exposure to speculative technology issues was very effective. The Fund's overweighting to the non-Japan areas of Asia also produced good relative returns.

Generally, high energy prices through the year delivered very strong cash returns on the Fund's oil and gas investments. A further investment in this area was completed late in the year after oil and gas prices had fallen significantly.



Real Estate

The Fund's real estate holdings provided a very good return of 13.9%. Several acquisitions were completed, although attractively valued properties are becoming very difficult to find.



Investing For Growth and Stability

Fund Investments

($) THOUSANDS	2001	2000
Contractual Investments		
Cash and Short-term	$102,244	$112,790
Bonds and Debentures		
Canadian/Federal/Provincial	632,996	680,531
Corporate	251,834	176,250
Asset-backed	4,271	15,307
Mortgages		
NHA	36,640	37,225
Conventional	11,505	12,919
Pooled	644	1,102
Equity Investments		
Canadian Stocks	549,944	538,639
U.S. Stocks	304,118	278,053
Non-North American Stocks	143,448	132,187
Real Estate	202,826	155,546
Total Investments	$2,240,470	$2,140,549

Investment Strategy Overview

Contractual Investments

- relatively high cash reserves were maintained during the year awaiting more reasonably priced stocks

Equity Investments

- maintained an underweight position in U.S. and Non-North American markets
- maintained an underweight position in overvalued technology stocks
- opportunistically increased the Fund's exposure on attractive real estate investments

The terrorist attacks of September 11th will be remembered always and will mark the time when the geopolitical environment, economic outlook and investment fundamentals were forever altered. The extent of the short-term impact and long-term implications for each of these areas will only be determined over time. The event produced the longest closure of U.S. stock markets since the exchanges originated in the late 1800's. After a week of initial selling pressure, markets began improving. However, 2001 still ended with losses in most equity markets.

With the Canadian market being an exception, this was one of the few times where major markets have declined for two straight calendar years. Worldwide technology and telecom stocks continued to lose value as the massive overinvestment and overvaluation of stocks continued to unwind. We have remained cautious, as we believe this is an atypical slowdown/recession compared with most since the Second World War. The roots of this slowdown were in the overinvestment and misallocation of capital in technology whereas previous recessions were driven by higher interest rates and reduced demand for capital intensive items. It will take an extended period of time to unwind these excesses. We feel the recovery will be disappointing, as high debt levels will limit increased consumption, which in turn will limit profit growth. Strong profit growth, or the prospect of it, is necessary to rekindle business capital investment.

We do not believe it is reasonable to continue to expect the historically high rates of return from stock investments experienced during the 1990's. Large established economies such as Canada and the U.S. just

do not grow at much above 3%, inflation adjusted, over longer time periods. Economy wide corporate profits generally track economic growth, thus a resumption of double digit stock returns in the major economies should prove difficult to achieve.

The Fund's balance between high quality bond investments, a value oriented bias to stock investments, and a mix of real estate and direct oil and gas investments should continue to work well in achieving the Fund's objective of earning relatively high returns while assuming moderate levels of risk.

Your Pension Plan

Your Plan is a "defined benefit" plan which means that your pension is based on a formula that provides pension, disability, death and termination benefits for all eligible members. The formula is based on your years of service and average salary. Being a defined benefit plan means that a fixed percentage of salary is contributed yearly by participating members. For these contributions, pension benefits are earned. While some employers presently match employee contributions, others are obligated to fund their share of benefits paid in the future.

Investment returns are not directly related to the amount of pension a member will receive. Good investment returns are necessary to secure the Fund's ability to continue to meet its current and future obligations to pay benefits, and are the major contributor to surplus.

The Plan allows for retirement after age 55 assuming the member has at least ten years of qualifying service. Unless the person is age 60 or older, or has achieved the Rule of 80 (age plus service), there is a reduction for early retirement. Members who reach age 65 may receive a pension providing they have at least one year of service.

All employees who are employed full time are required to join the Plan. Seasonal and part-time employees are required to join after meeting an earnings test (when they have earned 25% of the Yearly Maximum Pensionable Earnings (YMPE) under the Canada Pension Plan in each of two successive calendar years).

Member Services

The Board offers the following services to members and their families, financial planners, solicitors, etc.:

1. **Individual Meetings**
   Members can meet with Board staff in Winnipeg and rural areas to discuss pension and insurance benefits. Laptop computers allow for services similar to those provided at the Board office in Winnipeg to be offered in rural areas like Brandon and Dauphin. Members are encouraged to bring anyone they wish to these meetings, like a spouse or financial planner.

2. **Pre-Retirement Planning Seminars**
   The pre-retirement planning seminar program is a one-day session designed for employees who are beginning to plan for retirement. They are presented in major centers throughout Manitoba for groups of 15 to 50 people, and we encourage married members to bring their spouses. The focus of these seminars is on pension and insurance benefits offered through the Board, although the presentation and course materials also include information on Federal benefits, estate planning, use of leisure time, and health considerations.

3. **Employee Pension and Insurance Seminars**
   The employee information seminars focus on pension and insurance benefits, such as eligibility, entitlement to benefits, family protection, disability, death, marriage separation, etc. They are presented to groups of 15 to 250 employees of the government and its related boards, commissions, and agencies, and last for two to three hours.

4. **Personal and General Enquiries**
   Board staff are available to answer questions by way of phone and written communication.

Highly qualified staff are available to meet your information needs with respect to enrollment, retirement, disability, termination and pension projections for estate and retirement planning.

We ask that you have your employee number ready when calling the office and that you make an appointment prior to visiting to assist us in serving you better.

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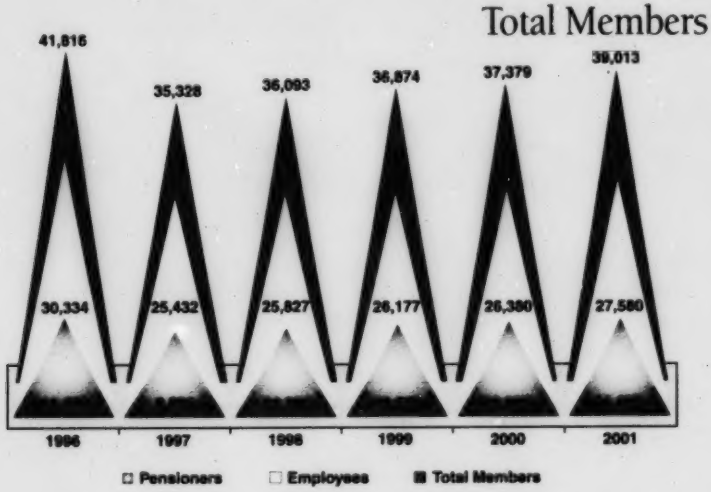
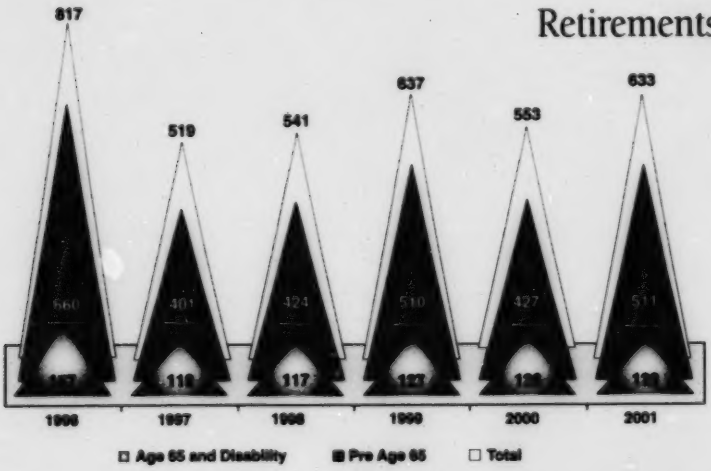
Members/Retirements

During 2001

- total members increased by 1,634 to 39,013
- employees/former employees participating in the Fund increased by 1,200 to 27,580
- pensioners/beneficiaries increased by 434 to 11,433





Employees/Former Employees

The distribution of employees/former employees by employer as at December 31, 2001 was as follows:

	Males	Females	Total
Non Matching Employers			
Province of Manitoba Civil Service	6,967	6,984	13,951
Manitoba Hydro-Electric Board	3,762	1,167	4,929
Liquor Control Commission	267	214	481
Manitoba Public Insurance	629	661	1,290
Addictions Foundation of Manitoba	79	156	235
Communities Economic Development Fund	11	7	18
Assiniboine Community College	116	148	264
Keewatin Community College	92	127	219
Manitoba Agricultural Credit Corporation	30	33	63
Manitoba Centennial Centre Corporation	40	18	58
Manitoba Horse Racing Commission	3	3	6
Red River College	461	464	925
Regional Health Authorities			
Brandon	74	239	313
Burntwood	3	31	34
Central	29	115	144
Interlake	11	91	102
Marquette	8	48	56
Norman	2	41	43
Nor-man	-	1	1
North Eastman	6	30	36
Parkland	23	90	113
South Eastman	4	33	37
South Westman	10	55	65
Winnipeg	31	286	317
Teachers' Retirement Allowances Fund Board	8	22	30
The Council for Post Secondary Education	2	9	11
The Legal Aid Services Society of Manitoba	41	94	135
Total Non Matching	**12,709**	**11,167**	**23,876**
Matching Employers			
Civil Service Superannuation Board	14	23	37
Crown Corporations Council	2	3	5
Economic Innovation and Technology Council	2	3	5
Gaming Control Commission	7	4	11
Industrial Technology Centre	24	8	32
Manitoba Arts Council	-	6	6
Manitoba Chicken Producers	1	3	4
Manitoba Crop Insurance Corporation	150	75	225
Manitoba Government Employees' Union	25	24	49
Manitoba Hazardous Waste Management Corporation	1	-	1
Manitoba Housing Authority	161	116	277
Manitoba Lotteries Corporation	17	19	36
Manitoba Milk Producers	7	12	19
Manitoba Pork Est.	11	10	21
Manitoba Pork Council	6	5	11
Manitoba Turkey Producers' Marketing Board	-	3	3
National Agri-food Technology Centre	7	9	16
Total Matching	**435**	**323**	**758**
Other			
Deferred Pension Accounts	1,219	1,302	2,521
L.T.D. Recipients	53	111	164
Manitoba Reciprocal Agreements	137	85	222
Pending Reciprocal Agreements	15	24	39
Total Other	**1,424**	**1,522**	**2,946**
TOTAL	**14,568**	**13,012**	**27,580**

Members/Retirements

During 2001

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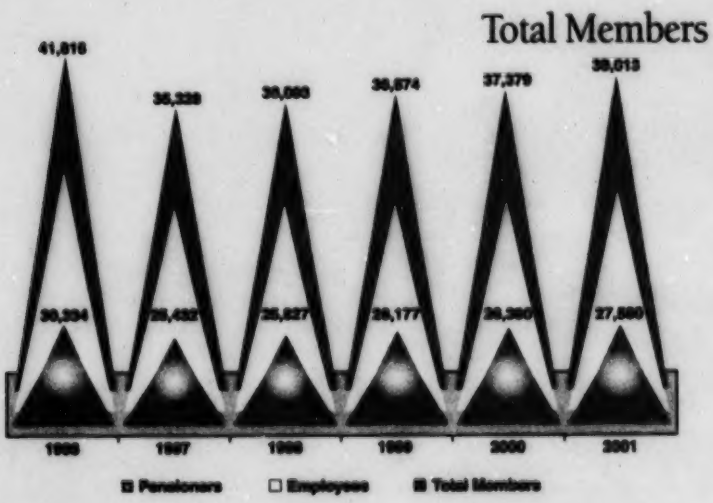

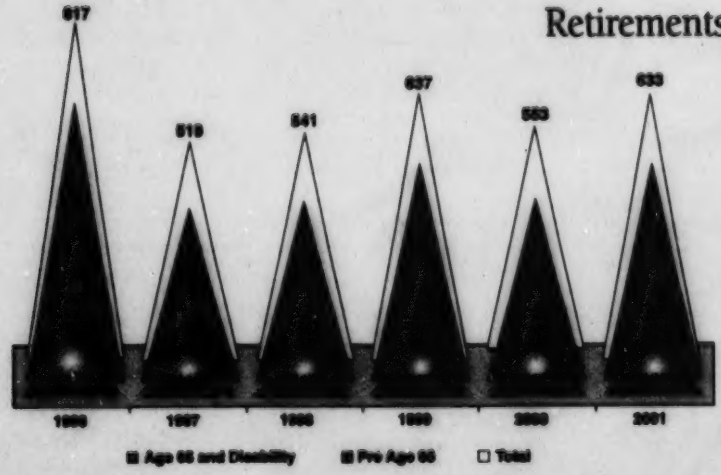

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Manitoba Public Insurance	629	[illegible]	1,290
Addictions Foundation of Manitoba	79	[illegible]	293
Communities Economic Development Fund	11	[illegible]	18
Assiniboine Community College	118	[illegible]	284
Keewatin Community College	92	[illegible]	219
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Manitoba Centennial Centre Corporation	40	[illegible]	58
Manitoba Horse Racing Commission	3	[illegible]	6
Red River College	461	[illegible]	925
Regional Health Authorities			
Brandon	74	[illegible]	313
Burntwood	3	[illegible]	34
Central	29	[illegible]	144
Interlake	11	[illegible]	102
Marquette	8	[illegible]	56
Norman	2	[illegible]	43
Nor-man	-	[illegible]	1
North Eastman	6	[illegible]	36
Parkland	23	[illegible]	113
South Eastman	4	[illegible]	37
South Westman	10	[illegible]	65
Winnipeg	31	[illegible]	317
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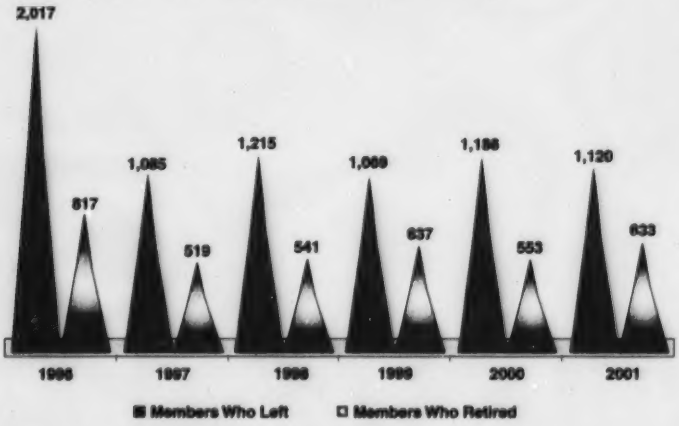
Total Other	**1,424**	**[illegible]**	**2,946**
TOTAL	**14,568**	**[illegible]**	**27,580**

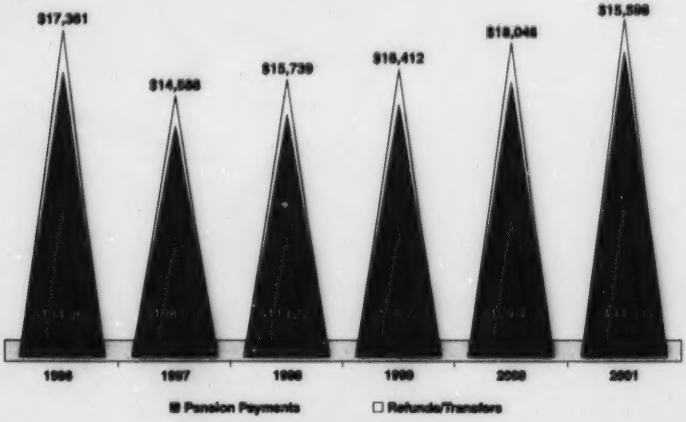
Paying Your Benefits

- 11,433 pensioners/beneficiaries were receiving pension benefits at the end of 2001
- $144 million was paid in pensions during 2001

Members No Longer Contributing



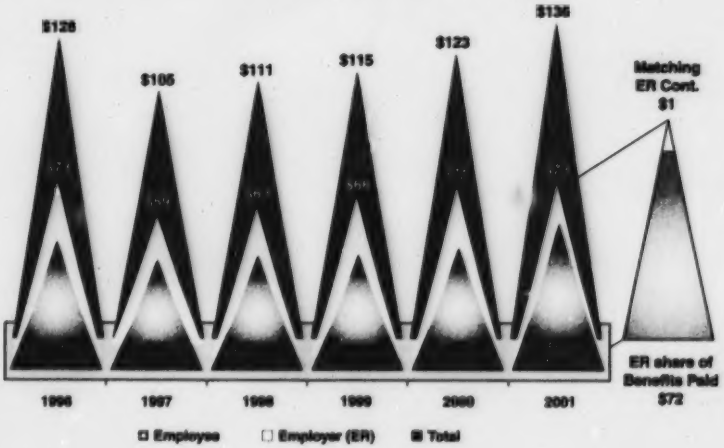
Payments From The Fund ($ thousands)



Employee Contributions/ Employer Payments

- employees contributed $63.6 million to the Fund compared to $52.3 million in 2000
- employers paid $72.6 million to the Fund compared to $70.7 million in 2000
- 89.8% of your contributions fund basic pension and beneficiary benefits
- 10.2% of your contributions are allocated for cost-of-living benefits

Contributions and Payments ($ millions)



You and your employer share in the cost of the Plan. Each year you contribute the following:

- 6% up to Canada Pension Plan maximum earnings ($38,300 in 2001)
- 7% on earnings in excess of that amount

Employer payments include

- approximately 50% of pensions paid and Commuted Value transfers for terminations, marriage separations, and deaths for non-matching employers
- payments made by matching employers

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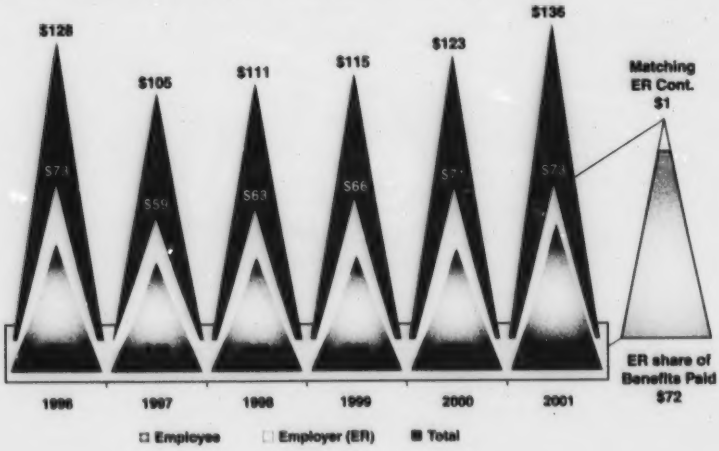

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Employer payments include

- approximately 50% of pensions paid and Commuted Value transfers for terminations, marriage separations, and deaths for non-matching employers
- payments made by matching employers

Cost-of-Living Allowance

- 10.2% of employee contributions and matching employer payments go to a separate indexing account to fund cost-of-living increases (COLA)
- the account funds approximately half the COLA increase while employers pay their share
- pensioners and beneficiaries receive an annual increase to a maximum of 2/3 of the increase in the Canadian Consumer Price Index (CPI)
- the COLA paid July 1, 2001 was 2.15%

COLA Concerns

When inflation is low (about 1%), the indexing account is able to pay for COLA increases. Should inflation reach moderate levels, e.g. 4%, a funding deficiency could result and the payment of 2/3 of the CPI may not be possible. Improvements are needed to the COLA program to ensure these increases in the future.

Funding of Pension Benefits

The Fund's net assets available for benefits are primarily funded by

- investment income
- employee contributions
- employer payments

These assets are used to finance the payment of the Funds' portion of the basic pension, the indexing benefits, and the employers' share for several matching employers.

The majority of employers are non-matching and defer payment of their share of pension benefits until the benefit is paid.

The Fund consists of two separate accounts

1. Basic Benefits Account
   - finances the Fund's share of the basic pension benefit calculated as at a specific date (i.e. retirement, termination or death)
2. Indexing Benefits Account
   - has been specifically established to finance the Fund's share of cost-of-living benefits paid to members
   - 10.2% of employee contributions and matching employer payments are credited annually to this Account

   The cost-of-living benefit payments are limited to the extent that the indexing account is able to finance its share of each increase. Legislation limits the maximum annual cost-of-living adjustment to 2/3 of the increase in the CPI until the account can prefund anticipated adjustments for the next 20 years.

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The net assets available to finance pension benefits, the obligations for pension benefits, and any surplus in the Basic Benefits Account and the funds available to finance future cost-of-living adjustments as at December 31, 2001 are summarized below.

($) THOUSANDS	Fund	Non-Matching Employers	Obligations Total
1. Net Assets Available (Net of Actuarial Reserves)			
Basic Benefits Account	[illegible]		
Indexing Benefits Account	[illegible]	[illegible] See Note Below	
Total	[illegible]		
2. Actuarial Obligations for Pension Benefits			
Basic Benefits Account (including future benefits)	[illegible]	[illegible]	[illegible]
Indexing Benefits Account	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]
3. Surplus/Funds Available			
Basic Benefits Account			
• Surplus	[illegible]		
Indexing Benefits Account		[illegible] See Note Below	
• Funds Available to Finance Future Adjustments	[illegible]		
Total	[illegible]		

Please refer to Notes 4 and 5 of the Audited Financial Statements for additional information.

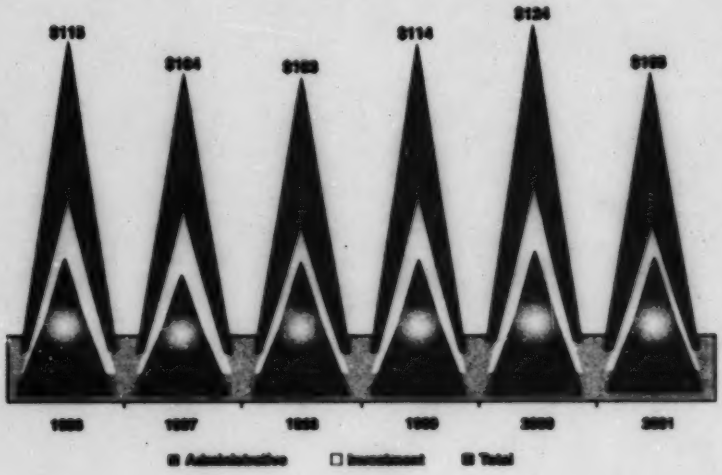
Note: The non-matching employer's portion of the pension liability is unfunded for most employers.

Please refer to Schedule 2 of the Audited Financial Statements for additional information.

Administration and Investment Cost

The Board's annual administration and investment cost per member continues to be one of the lowest for complex defined benefit plans. The total annual cost per member for 2001 was $106 consisting of $51 for administration and $55 for investment related expenses.

Annual Cost Per Member



The net assets available to finance pension benefits, the obligations for pension benefits, and any surplus in the Basic Benefits Account and the funds available to finance future cost-of-living adjustments as at December 31, 2001 are summarized below.

($) THOUSANDS	Fund	Non-Matching Employers	Obligations Total
1. Net Assets Available (Net of Actuarial Reserves)			
Basic Benefits Account	$1,967,927	See Note Below	
Indexing Benefits Account	118,088		
Total	**$2,086,015**		
2. Actuarial Obligations for Pension Benefits			
Basic Benefits Account (including future benefits)	$1,948,885	$1,497,792	$3,446,677
Indexing Benefits Account	95,592	93,156	188,748
Total	**$2,044,477**	**$1,590,948**	**$3,635,425**
3. Surplus/Funds Available			
Basic Benefits Account			
• Surplus	$19,042		
Indexing Benefits Account		See Note Below	
• Funds Available to Finance Future Adjustments	22,496		
Total	**$41,538**		

Please refer to Notes 4 and 5 of the Audited Financial Statements for additional information.

Note: The non-matching employer's portion of the pension liability is unfunded for most employers.

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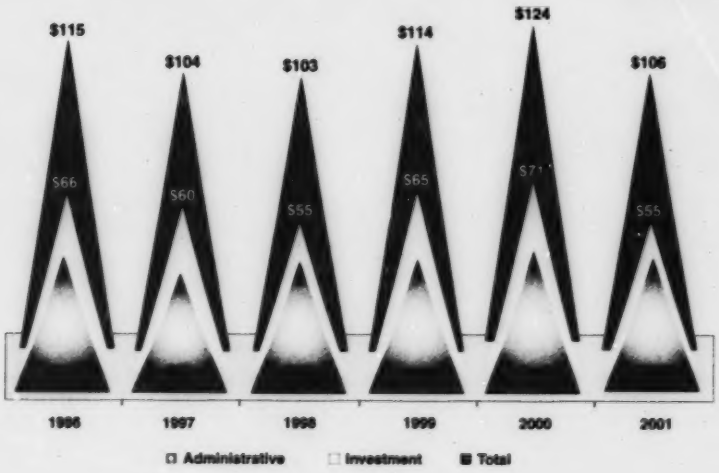


Six-Year Comparative Statistics *for The Civil Service Superannuation Fund*

Highlights	1996	1997	1998	1999	2000	2001
($) THOUSANDS						
Market Value of Investments	$1,980,863	$1,708,396	$1,839,504	$1,965,239	$2,140,549	$2,240,470
Investment Rate of Return	13.7%	10.5%	8.5%	7.8%	9.8%	5.1%
Employee Contributions	$54,597	$45,670	$48,096	$49,308	$52,250	$63,601
Employer Payments	72,515	59,250	62,712	65,911	70,693	72,642
Total Contributions/Payments	$127,112	$104,920	$110,808	$115,219	$122,943	$136,243
Pension Payments	$134,067	$108,031	$113,721	$118,724	$129,437	$144,034
Refunds and Transfers	$17,361	$14,588	$15,739	$16,412	$18,046	$15,598
Administrative Expenses	$2,054	$1,565	$1,716	$1,671	$1,973	$1,803
Investment Expenses	$2,777	$2,117	$1,980	$2,398	$2,664	$2,164
Employees and Former Employees	30,334	25,432	25,827	26,177	26,380	27,580
Pensioners and Beneficiaries	11,482	9,896	10,266	10,697	10,999	11,433
Total Members	41,816	35,328	36,093	36,874	37,379	39,013
Refunded/Transferred Members	2,017	1,085	1,215	1,069	1,186	1,120
Retirements	817	519	541	637	553	633

Management Report

The accompanying financial statements of the Civil Service Superannuation Fund are the responsibility of management and have been prepared in accordance with the accounting policies stated in the notes to the financial statements. Management maintains internal controls to provide reasonable assurance of the reliability and accuracy of the financial information and to safeguard the assets of the Fund. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to March 5, 2002.

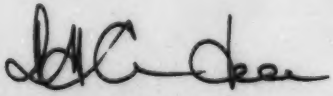
The firm of Ellement and Ellement Ltd. has been appointed as consulting actuary for the Fund. The role of the actuary is to complete the triennial actuarial valuations of the Fund in accordance with actuarial practice and estimate the obligations for benefits for inclusion in the annual financial statements.

The Provincial Auditor performs an independent audit of the financial statements in accordance with Canadian generally accepted auditing standards. The resulting opinion is set out in the Auditors' Report attached to the financial statements.

Ultimate responsibility for the financial statements rests with the members of the Board. The Board, as Audit Committee, established a Financial Statement Review Committee to meet with Board staff and representatives of the Provincial Auditor. It is the responsibility of the Financial Statement Review Committee to review the financial statements, ensure that each group has properly discharged its respective responsibilities and make a recommendation to the Board regarding approval of the financial statements. The auditors have full and unrestricted access to the Board, as Audit Committee, and to the Financial Statement Review Committee.

The Board has reviewed and approved these financial statements.

On behalf of Management,



ROBERT H. COVERNTON
General Manager

ALLEN BORLE
Director, Finance

Report of the Office of the Provincial Auditor
ON THE CIVIL SERVICE SUPERANNUATION FUND

Office of the Provincial Auditor
500 – 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

Auditors' Report

To the Legislative Assembly of Manitoba and
To the Members of the Civil Service Superannuation Plan

We have audited the statement of net assets available for benefits of The Civil Service Superannuation Fund as at December 31, 2001 and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets available for benefits of The Civil Service Superannuation Fund as at December 31, 2001 and the changes in net assets available for benefits for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Provincial Auditor

Office of the Provincial Auditor

WINNIPEG, MANITOBA
MARCH 5, 2002

Statement of Net Assets Available for Benefits

AS AT DECEMBER 31, 2001

($) THOUSANDS	2001	2000
ASSETS		
Investments, Schedule 1, Note 2(b)	$2,240,470	$2,140,549
Capital assets	62	82
Debt due from the Province of Manitoba, Note 7	1,826	1,826
Receivables	1,725	1,189
Accrued dividends and interest	11,195	12,107
Total assets	2,255,278	2,155,753
LIABILITIES		
Accounts payable	811	1,336
Pensions payable, Note 15	–	2,880
Refunds and transfers payable	3,505	1,736
The Province of Manitoba Unfunded Pension Liability Trust Account, Note 11	17,631	–
Manitoba Telecom Services Inc. in trust, Note 16	363	460
Correctional Officers' Trust Account, Note 8	1,623	1,287
Employer Trust Accounts, Note 9	29,587	28,103
Money Purchase Accounts Plan, Note 10	7,597	7,197
Total liabilities	61,117	42,999
Net assets available for benefits, Exhibit B	$2,194,161	$2,112,754

Chairperson of the Board

Chairperson, Financial Statement Review Committee

THE CIVIL SERVICE SUPERANNUATION FUND

Statement of Net Assets Available for Benefits

AS AT DECEMBER 31, 2001

($) THOUSANDS	2001	2000
ASSETS		
Investments, Schedule 1, Note 2(b)	$2,240,470	[illegible]
Capital assets	62	[illegible]
Debt due from the Province of Manitoba, Note 7	1,826	[illegible]
Receivables	1,725	[illegible]
Accrued dividends and interest	11,195	[illegible]
Total assets	2,255,278	[illegible]
LIABILITIES		
Accounts payable	811	[illegible]
Pensions payable, Note 15	–	[illegible]
Refunds and transfers payable	3,505	[illegible]
The Province of Manitoba Unfunded Pension Liability Trust Account, Note 11	17,631	–
Manitoba Telecom Services Inc. in trust, Note 16	363	[illegible]
Correctional Officers' Trust Account, Note 8	1,623	[illegible]
Employer Trust Accounts, Note 9	29,587	[illegible]
Money Purchase Accounts Plan, Note 10	7,597	[illegible]
Total liabilities	61,117	[illegible]
Net assets available for benefits, Exhibit B	$2,194,161	[illegible]

Chairperson of the Board

Chairperson, Financial Statement Review Committee

Statement of Changes in Net Assets Available for Benefits

FOR THE YEAR ENDED DECEMBER 31, 2001

($) THOUSANDS	2001			2000
	Basic Benefits Account	Indexing Benefits Account	Total	Total
Increase in assets				
Contributions, Schedule 2, Note 1(b)				
Employees	$57,245	$6,356	**$63,601**	$52,250
Employers	72,490	152	**72,642**	70,693
Total contributions	129,735	6,508	**136,243**	122,943
Net investment income, Schedule 3	97,074	8,169	**105,243**	191,140
Employer liability funding, Note 14	446	75	**521**	2,418
Other	100	–	**100**	69
Total increase in assets	227,355	14,752	**242,107**	316,570
Decrease in assets				
Pension expense, Note 15	134,189	9,845	**144,034**	129,437
Refunds and transfers	15,598	–	**15,598**	18,046
Administrative expenses, net, Note 12	945	–	**945**	1,033
Transfer to employer trust accounts	123	–	**123**	167
Total decrease in assets	150,855	9,845	**160,700**	148,683
Increase in net assets	76,500	4,907	**81,407**	167,887
Net assets available for benefits at beginning of year	1,972,304	140,450	**2,112,754**	1,944,867
Increase in net assets	76,500	4,907	**81,407**	167,887
Net assets available for benefits at end of year, Exhibit A	$2,048,804	$145,357	**$2,194,161**	$2,112,754

Statement of Changes in Net Assets Available for Benefits

FOR THE YEAR ENDED DECEMBER 31, 2001

($) THOUSANDS	2001			2000
	Basic Benefits Account	Indexing Benefits Account	Total	Total
Increase in assets				
Contributions, Schedule 2, Note 1(b)				
Employees	357,245	35,366	392,611	332,250
Employers	72,490	152	72,642	59,693
Total contributions	429,735	6,588	436,323	391,943
Net investment income, Schedule 3	97,074	8,169	105,243	191,140
Employer liability funding, Note 14	446	75	521	2,410
Other	100	-	100	77
Total increase in assets	527,355	14,732	542,187	585,570
Decrease in assets				
Pension expense, Note 15	134,188	9,845	144,034	129,437
Refunds and transfers	15,598	-	15,598	18,648
Administrative expenses, net, Note 12	845	-	845	1,083
Transfer to employer trust accounts	123	-	123	187
Total decrease in assets	150,855	9,845	160,700	149,063
Increase in net assets	76,500	4,887	81,487	187,507
Net assets available for benefits at beginning of year	1,972,304	140,450	2,112,754	1,964,987
Increase in net assets	76,500	4,887	81,487	187,507
Net assets available for benefits at end of year, Exhibit A	$2,048,804	$145,337	$2,194,141	$2,112,754

1. Description of Plan

The following description of the Civil Service Superannuation Plan (the Plan) is a summary only. For more complete information reference should be made to the Civil Service Superannuation Act (the Act).

(a) General

The Civil Service Superannuation Board (the Board) and the Civil Service Superannuation Fund (the Fund) were established under the Act in May 1939. The Board is responsible for administering the Act. The Act defines the basis of funding and the operation of the Plan as a defined benefit plan, which provides pension benefits to employees of the Government of the Province of Manitoba and its agencies participating in the Plan.

(b) Funding

The Act was amended effective December 15, 2000 to reflect certain benefit improvements, as described in Note 15, (the pension formula improvement therein was retroactive to September 1, 2000).

The Act requires that employees contribute 6% (2000 – 5.1%) of pensionable earnings up to the Canada Pension Plan (CPP) maximum pensionable earnings and 7% of pensionable earnings above that maximum each year. In accordance with the Act, 89.8% of the employee contributions are allocated to the Basic Benefits Account and 10.2% are allocated to the Indexing Benefits Account.

Under provisions of the Act non-matching employers defer contributing their share of employee pension benefits until they are billed for 50% of the benefit payments processed. As a result of the December 15, 2000 amendments to the Act, non-matching employers will not be billed for the cost of the pension formula improvement. The matching employer contribution rate remains unchanged at 5.1% on pensionable earnings up to the CPP maximum pensionable earnings and 7% of pensionable earnings above that maximum each year.

The Fund's net assets available for benefits are primarily comprised of contributions from employees and matching employers together with investment income. These assets are intended to finance the Fund's portion of the Plan's actuarially determined obligation for pension benefits accruing to employees for service to the date of these financial statements. The non-matching employers' portion of the obligation for pension benefits as shown in Note 4 is unfunded.

Notes to the Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2001

One-half of the cost-of-living benefit payments are charged to the Indexing Benefits Account. All other benefit payments are charged against the Basic Benefits Account. The recovery of the non-matching employers' share is credited to the Basic Benefits Account.

The cost-of-living benefit payments are limited to the extent that the amount in the separate Indexing Benefits Account is actuarially able to finance one-half of that payment. Legislation limits the maximum annual adjustment to two-thirds of the increase in Consumer Price Index (Canada) until the Indexing Benefits Account can pre fund anticipated adjustments for the next twenty years.

(c) Pension Calculation

The lifetime pension calculation equals:

(i) 2% of a member's best five-year average pensionable earnings multiplied by pensionable service.

(ii) minus .4% (prior to August 31, 2000 - .6% as described in Note 15) of the average CPP maximum pensionable earnings for the same period multiplied by pensionable service since January 1, 1966.

The lifetime pension is subject to an overall maximum of 70% of the average earnings described in (i) above. Pensioners at or near the 70% maximum will not be restricted to that maximum when applying the December 15, 2000 amendments indicated in (ii) above. Some pensions for members retiring prior to age 60 are subject to an early retirement reduction.

(d) Excess Contributions

On termination, retirement or death, if a member's contributions plus interest (less 10.2% allocated to the Indexing Benefits Account) exceed 50% of the commuted value of the pension for service after December 31, 1984, the excess contributions are payable to the member or the member's estate.

(e) Retirement

A member with ten or more years of qualifying service is eligible to retire at age 55.

A member with one or more years of qualifying service is eligible to retire at age 65.

All members must commence pension benefits no later than the last day of the calendar year in which the member attains 69 years of age.

Eligible members of the Province of Manitoba's Corrections Component may retire as early as age 50.

(f) Disability Pensions

A member with ten or more years of qualifying service is eligible to apply for a disability pension.

(g) Survivor's Benefits

A survivor's benefit is payable to a spouse or eligible survivor(s) of a member who dies with two or more years of qualifying service.

(h) Death Refunds

A death refund is payable to the estate of a pensioner or survivor where such pensions have not been paid to the full extent of the individual's contributions plus interest. In a similar manner, a death refund is payable to the estate of a member where no survivor's pension is paid.

(i) Withdrawal Refunds

Upon application and subject to lock-in provisions, withdrawal refunds are payable when a member ceases to be employed by a participating employer. Members with two or more years of qualifying service may choose to leave their contributions in the Plan as a vested member.

(j) Income Taxes

The Plan is a Registered Pension Trust as defined in the Income Tax Act and is not subject to income taxes.

(k) Money Purchase Accounts Plan

The Board administers and maintains a separate Money Purchase Accounts Plan on a trust basis as provided for in the Act.

2. Significant Accounting Policies

The significant accounting policies are summarized below:

(a) Basis Of Presentation

The financial statements are prepared on a going-concern basis as a separate financial reporting entity, in accordance with Canadian generally accepted accounting principles. They are prepared to assist participants and others in reviewing the activities for the fiscal year.

Notes to the Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2001

(b) Investments

Investments are recorded at fair value on a trade date basis.

Fair values of investments are determined as follows:

Fixed Income

(i) Short-term investments are valued at market, which approximates cost.

(ii) Bonds and debentures are valued at market by independent sources.

(iii) National Housing Act (Canada) and other mortgages are valued based upon the present value of future discounted cash flows. Pooled mortgage funds are valued at market by the external manager.

Equity

(i) Publicly traded securities are valued at year end market prices as listed on the appropriate stock exchange.

(ii) Real estate investments are valued at the most recent appraisals or external manager's valuations of the underlying properties.

(iii) Petroleum and natural gas shares are valued based upon the discounted present value of proven petroleum and natural gas reserve information provided by external managers or are reflected at cost until such information is made available.

(iv) Venture capital investments are based on values established by the external managers or at cost where no valuation has been prepared.

(v) The Fund has subsidiaries, which are not consolidated but are included in the Summary of Investments, Schedule 1. Included in real estate shares are shares of thirteen subsidiaries whose value in aggregate totals $114,127,747. Included in petroleum and natural gas shares are shares of one subsidiary valued at $56,690,909.

(c) Foreign Currency Translation

The fair value of investments denominated in foreign currencies is translated into Canadian dollars at the exchange rate in effect at year-end and the resulting change is included in the change in fair value of investments. Revenue and expense transactions are translated at the exchange rates prevailing on the dates of the transactions and are included in investment income at the translated amounts.

(d) Capital Assets

Computer equipment costing less than $1,000 and all furniture purchases are charged to operations in the year of acquisition. Mid-range computer equipment cost is amortized over 5 years and microcomputer equipment cost is amortized over 3 years.

3. Risk Management

Fair values of investments are exposed to interest rate risk, credit risk and currency risk.

Interest rate risk refers to the impact of interest rate changes on the Fund's cash flows, financial position and income. To limit the exposure to interest rate fluctuation and to obtain the best possible return at acceptable risk, the Board established an investment asset mix policy of 45% fixed income and 55% equity.

The term to maturity and related market values of fixed income investments are as follows:

Term to maturity	2001	2000
($) THOUSANDS		
Less than one year	$ 109,776	$ 122,073
One to five years	269,077	229,311
Over five years	661,281	684,740
Total fixed income investments	**$1,040,134**	**$1,036,124**

Credit risk is the risk of loss from the failure of a counter party to discharge its contractual obligations. The Board limits credit risk by concentrating on high quality securities and adhering to a Statement of Investment Policies and Procedures. The Policy establishes investment ownership limits and acceptable credit ratings. For example, 95% of bonds and debentures must be rated single A or higher.

Currency risk relates to the possibility that foreign currency-denominated investments will change in value due to future fluctuations in foreign exchange rates. The Fund does, from time to time, hedge some of this exposure. As at December 31, 2001 external fund managers had entered into forward foreign exchange contracts valued at $7,168,286 (2000 - $754,923) on behalf of the Fund.

Notes to the Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2001

4. Obligations for Pension Benefits

(a) Obligation for pension benefits

(i) Basic Benefits Account

In accordance with the Act, an Actuarial Valuation Report is required every three years. The stated purpose of the actuarial valuation is to:

- determine the financial position of the Fund as at the valuation date,
- determine the adequacy of the contributions being received in relation to the portion of the benefits financed by the Fund, and
- provide recommendations as to the future course of action based on the financial position revealed.

The triennial Actuarial Valuation Report on the Fund was completed as at December 31, 1998 by Ellement and Ellement Ltd., consulting actuaries.

The actuarial present value of the accrued basic pension benefit obligations, based on service to date, was estimated by the actuary as at December 31, 2001. The principal components of the changes in actuarial present value during the year were calculated and are as follows:

Basic Benefits Account

($) THOUSANDS	Fund	Non-Matching Employers	Total	Total
	2001	2001	2001	2000
Actuarial present value of accrued basic pension benefit obligations based on service to date, beginning of year	**$1,692,781**	**$1,332,632**	**$3,025,413**	$2,578,661
Employer funding liability	446	(446)	-	-
Adjusted beginning of year	1,693,227	1,332,186	**3,025,413**	2,578,661
Benefits accrued	58,155	55,431	**113,586**	93,354
Benefits paid	(77,383)	(72,490)	**(149,873)**	(138,890)
Interest on accrued benefits	117,853	92,656	**210,509**	178,912
Change in actuarial reserves	17,088	16,288	**33,376**	37,270
Cost of amendments, Note 15	-	-	-	276,106
Actuarial present value of accrued basic pension benefit obligations based on service to date, end of year	**$1,808,940**	**$1,424,071**	**$3,233,011**	$3,025,413

Notes to the Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2001

4. Obligations for Pension Benefits

(a) Obligation for pension benefits

(i) Basic Benefits Account

In accordance with the Act, an Actuarial Valuation Report is required every three years. The stated purpose of the actuarial valuation is to:

- determine the financial position of the Fund as at the valuation date,
- determine the adequacy of the contributions being received in relation to the portion of the benefits financed by the Fund, and
- provide recommendations as to the future course of action based on the financial position revealed.

The triennial Actuarial Valuation Report on the Fund was completed as at December 31, 1998 by Ellement and Ellement Ltd., consulting actuaries.

The actuarial present value of the accrued basic pension benefit obligations, based on service to date, was estimated by the actuary as at December 31, 2001. The principal components of the changes in actuarial present value during the year were calculated and are as follows:

Basic Benefits Account

($) THOUSANDS	Fund	Non-Matching Employers	Total	Total
	2001	2001	2001	2000
Actuarial present value of accrued basic pension benefit obligations based on service to date, beginning of year	$1,692,781	$1,332,632	$3,025,413	$2,578,881
Employer funding liability	446	(446)	-	-
Adjusted beginning of year	1,693,227	1,332,186	3,025,413	2,578,881
Benefits accrued	58,155	55,431	113,586	93,354
Benefits paid	(77,383)	(72,490)	(149,873)	(138,890)
Interest on accrued benefits	117,053	92,656	210,509	178,912
Change in actuarial reserves	17,088	16,288	33,376	37,270
Cost of amendments, Note 15	-	-	-	276,166
Actuarial present value of accrued basic pension benefit obligations based on service to date, end of year	$1,808,940	$1,424,071	$3,233,011	$3,025,413

The non-matching employers' portion of the accrued basic pension benefit obligation is unfunded. These non-matching employers defer contributing their share of employee pension benefits until they are billed for 50% of the benefit payments processed. Under the terms of the December 15, 2000 amendments to the Act, non-matching employers will not be billed for the cost of the pension formula improvement that was effective from September 1, 2000.

The Actuarial Valuation Reports and the estimate at December 31, 2001 were based on the same set of assumptions. The actuary has introduced some additional reserves during the estimate period to provide for possible adverse deviations not explicitly identified in the Valuation. These assumptions were chosen for each of the factors that will affect the Fund financially in future years. Each assumption is based on relevant past experience studied over long periods of time to produce more reliable information.

Significant long-term actuarial assumptions used in the December 31, 1998 Valuation and in the determination of the present value of the accrued basic pension benefit obligations were:

Annual rate of return	
(i) inflation component	3.00%
(ii) real rate of return	4.00%
	7.00%
Annual salary escalation rates	
(i) general increases	
a) inflation component	3.00%
b) productivity component	.50%
	3.50%
(ii) service, merit and promotional increases*	

*the rates used vary by age groupings from a high of 3.0% to a low of 0%

Notes to the Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2001

(ii) Indexing Benefits Account

The most recent annual Actuarial Valuation Report on the Indexing Benefits Account was prepared by Ellement and Ellement Ltd., consulting actuaries, as at December 31, 2000. The actuarial present value of the accrued indexing pension benefit obligations was estimated by the actuary as at December 31, 2001 and is as outlined below. The actuarial assumptions used are the same assumptions used for the Basic Benefits Account, except the annual rate of return is 6.5%.

Indexing Benefits Account

($) THOUSANDS	Fund	Non-Matching Employers	Total	Total
	2001	2001	2001	2000
Actuarial present value of accrued indexing pension benefit obligations, beginning of year	$82,231	$79,571	$161,802	$143,700
Experience (gain)	(639)	-	(639)	-
Adjusted beginning of year	81,592	79,571	161,163	143,700
Cost of living accrual effective July 1	16,821	16,277	33,098	23,433
Benefits paid	(9,845)	(9,527)	(19,372)	(17,237)
Interest on accrued benefits	6,078	5,920	11,998	10,304
Change in actuarial reserves	946	915	1,861	1,802
Actuarial present value of accrued indexing pension benefit obligations, end of year	$95,592	$93,156	$188,748	$161,802

(b) Fund's Asset Valuation

The actuary adjusts net assets available for benefits to smooth investment gains (losses) over five years and to recognize amounts reserved for future indexing benefits.

The actuarial asset values used in the estimate of the Fund's pension obligations were:

($) THOUSANDS	Basic Benefits	Indexing Benefits	Total	Total
	2001	2001	2001	2000
Net assets available for benefits, Exhibit B	$2,048,804	$145,357	$2,194,161	$2,112,754
Amount reserved for future indexing benefits	-	(21,531)	(21,531)	(21,653)
Adjustment for the actuarial value of assets	(80,877)	(5,738)	(86,615)	(137,437)
Actuarial value of net assets available for benefits	$1,967,927	$118,088	$2,086,015	$1,953,664

5. Additional Actuarial Information

(a) Total Actuarial Pension Liabilities For The Basic Benefits Account

The actuary determines the actuarial liability for net future service as a component in the actuarial valuation completed for funding purposes. The total actuarial Basic Benefit pension liabilities at December 31, 2001 have been estimated based on service to date and net future service as follows:

($) THOUSANDS	Fund	Non-Matching Employers	Total	Total
	2001	2001	2001	2000
Service to date, Note 4	$1,808,940	$1,424,071	$3,233,011	$3,025,413
Net future service	139,945	73,721	213,666	198,195
Total actuarial pension liabilities	$1,948,885	$1,497,792	$3,446,677	$3,223,608

(b) Basic Benefits Actuarial Surplus (Fund Only)

The Fund had an estimated going concern actuarial surplus of $19,042,000 as at December 31, 2001 (2000 – $21,256,000) in the Basic Benefits Account, after including pension benefit obligations for service to date and for future service actuarial liabilities.

(c) Indexing Benefits Actuarial Surplus (Fund Only)

The funds available to finance future cost-of-living increases in the Indexing Benefits Account were estimated to be $22,496,000 as at December 31, 2001 (2000 – $27,430,000).

Notes to the Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2001

(ii) Indexing Benefits Account

The most recent annual Actuarial Valuation Report on the Indexing Benefits Account was prepared by Ellement and Ellement Ltd., consulting actuaries, as at December 31, 2000. The actuarial present value of the accrued indexing pension benefit obligations was estimated by the actuary as at December 31, 2001 and is as outlined below. The actuarial assumptions used are the same assumptions used for the Basic Benefits Account, except the annual rate of return is 6.5%.

Indexing Benefits Account

($) THOUSANDS	Fund	Non-Matching Employers	**Total**	Total
	2001	2001	**2001**	2000
Actuarial present value of accrued indexing pension benefit obligations, beginning of year	$82,231	$79,571	**$161,802**	$143,700
Experience (gain)	(639)	–	**(639)**	–
Adjusted beginning of year	81,592	79,571	**161,163**	143,700
Cost of living accrual effective July 1	16,821	16,277	**33,098**	23,433
Benefits paid	(9,845)	(9,527)	**(19,372)**	(17,237)
Interest on accrued benefits	6,078	5,920	**11,998**	10,304
Change in actuarial reserves	946	915	**1,861**	1,602
Actuarial present value of accrued indexing pension benefit obligations, end of year	$95,592	$93,156	**$188,748**	$161,802

(b) Fund's Asset Valuation

The actuary adjusts net assets available for benefits to smooth investment gains (losses) over five years and to recognize amounts reserved for future indexing benefits.

The actuarial asset values used in the estimate of the Fund's pension obligations were:

($) THOUSANDS	Basic Benefits 2001	Indexing Benefits 2001	**Total 2001**	Total 2000
Net assets available for benefits, Exhibit B	$2,048,804	$145,357	**$2,194,161**	$2,112,754
Amount reserved for future indexing benefits	–	(21,531)	**(21,531)**	(21,653)
Adjustment for the actuarial value of assets	(80,877)	(5,738)	**(86,615)**	(137,437)
Actuarial value of net assets available for benefits	$1,967,927	$118,088	**$2,086,015**	$1,953,664

5. Additional Actuarial Information

(a) Total Actuarial Pension Liabilities For The Basic Benefits Account

The actuary determines the actuarial liability for net future service as a component in the actuarial valuation completed for funding purposes. The total actuarial Basic Benefit pension liabilities at December 31, 2001 have been estimated based on service to date and net future service as follows:

($) THOUSANDS	Fund 2001	Non-Matching Employers 2001	**Total 2001**	Total 2000
Service to date, Note 4	$1,808,940	$1,424,071	**$3,233,011**	$3,025,413
Net future service	139,945	73,721	**213,666**	198,195
Total actuarial pension liabilities	$1,948,885	$1,497,792	**$3,446,677**	$3,223,608

(b) Basic Benefits Actuarial Surplus (Fund Only)

The Fund had an estimated going concern actuarial surplus of $19,042,000 as at December 31, 2001 (2000 – $21,256,000) in the Basic Benefits Account, after including pension benefit obligations for service to date and for future service actuarial liabilities.

(c) Indexing Benefits Actuarial Surplus (Fund Only)

The funds available to finance future cost-of-living increases in the Indexing Benefits Account were estimated to be $22,496,000 as at December 31, 2001 (2000 – $27,430,000).

Notes to the Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2001

6. Employer Assets Provided for Pension Obligations

Readers should refer to the latest audited employer financial statements, including financial statements of the Government of the Province of Manitoba and its participating agencies, to determine how employers fund pension obligations.

7. Debt due from the Province of Manitoba

Under Section 24(1) of the Act, the Province of Manitoba assumed an accrued liability of $1,826,000 for its employees and pensioners as at May 1, 1939. The Province of Manitoba pays semi-annual interest at 4% per annum on this amount.

8. Correctional Officers' Trust Account

Effective November 19, 1996 employees who are members of the Province of Manitoba's Corrections Component are required to contribute an additional 1% of pensionable earnings. These additional contributions are credited to this trust account and are intended to fund the additional pension benefits for eligible employees who may retire as early as age 50 with no reduction for early retirement providing the total of age and qualifying service equals 75 or greater.

9. Employer Trust Accounts

The Fund is responsible for providing enhanced benefits enacted in the 1992 legislation agreed to by the Employee Liaison Committee and the Employer Pension Advisory Committee. These benefits are 100% financed from the Fund's net assets available for benefits. To facilitate this funding, trust accounts were established for non-matching employers participating in the Fund for their share of the actuarial valuation of these future benefit enhancements. Specific contributions from eligible employees are being transferred to the applicable trust account.

10. Money Purchase Accounts Plan

Effective January 2, 1985 a separate Money Purchase Accounts Plan was established to enhance the portability of pensions. Contributors include employees, recipients of superannuation allowances, annuities or pensions payable under the Act, or persons on whose behalf the Board is required or requested to transfer moneys to this Plan. Refunds are made upon written request by the contributor. Administrative costs are recovered by the Board.

11. The Province of Manitoba Unfunded Pension Liability Trust Account

The Balanced Budget, Debt Repayment and Taxpayer Protection Amendment and Consequential Amendments Act (the Act) came into effect on August 18, 2000. This Act requires the Province of Manitoba (the Province) to establish a fund and to make payments to the established fund.

Under the terms of a March 6, 2001 agreement between the Province and the Board, the Province established a fund with the Board and the Province is making the required payments to this fund. As well, the Province is making payments to this fund that are related to the Special Operating Agencies unfunded pension liabilities. Payments received by the Board from the Province are held by the Board in trust for and on behalf of the Province and are invested by the Board on behalf of the Province. The payments received are not assets of the Plan and accordingly, they are accounted for by the Fund in the Unfunded Pension Liability Trust Account. This trust account earns investment income at a rate of return equal to the rate of return earned by the Fund. The Board receives an investment management fee for its services. The payments made by the Province to the Board do not reduce the accrued pension benefit obligations of the Fund.

Notes to the Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2001

12. Administrative Expenses

($) thousands	2001	2000
Salaries and fringe benefits	$1,988	$1,935
Professional fees	126	161
Office and administration	831	717
	2,945	2,813
Less: recoveries from other administered funds		
regular administration	(930)	(810)
one-time administrative recoveries	(212)	(30)
Fund administrative expenses	1,803	1,973
Less: recoveries from non-matching employers	(858)	(940)
Administrative expenses, net	$945	$1,033

13. Managed Investment Funds

The Board acts as investment manager for other funds, which are separate and have been excluded from these financial statements.

The fair values of these other funds under administration on a trade date basis at December 31 are:

($) thousands	2001	2000
The Manitoba Hydro Pension Fund	$465,457	$446,418
Joint Board of Trustees of The Municipal Employees Benefits Program	278,309	271,305
The Public Service Group Insurance Fund	100,236	97,317
Centra Gas Pension Funds	48,416	50,748
	$892,418	$865,788

The Board recovers its administrative costs for this service by charging an investment management fee, which is deducted from investment management expenses in Schedule 3.

Notes to the Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2001

12. Administrative Expenses

($) thousands	2001	2000
Salaries and fringe benefits	$1,988	$1,935
Professional fees	126	161
Office and administration	831	717
	2,945	2,813
Less: recoveries from other administered funds		
regular administration	(930)	(810)
one-time administrative recoveries	(212)	(30)
Fund administrative expenses	1,803	1,973
Less: recoveries from non-matching employers	(858)	(940)
Administrative expenses, net	$945	$1,033

13. Managed Investment Funds

The Board acts as investment manager for other funds, which are separate and have been excluded from these financial statements.

The fair values of these other funds under administration on a trade date basis at December 31 are:

($) THOUSANDS	2001	2000
The Manitoba Hydro Pension Fund	$485,457	$446,418
Joint Board of Trustees of The Municipal Employees Benefits Program	278,909	271,305
The Public Service Group Insurance Fund	100,236	97,317
Centra Gas Pension Funds	48,416	50,748
	$892,418	$865,788

The Board recovers its administrative costs for this service by charging an investment management fee, which is deducted from investment management expenses in Schedule 3.

14. Employer Liability Funding

During 2001, The Manitoba Development Corporation funded, in total, the actuarial present value of all prior accrued basic and indexing pension obligations.

15. Amendments to the Act

The Act was amended effective December 15, 2000 to provide benefit improvements. The most significant benefit improvement was to amend the pension formula to increase the pension benefits payable effective September 1, 2000 from 1.4% to 1.6% of average earnings, as explained in Note 1 (c). There were also changes to buy back provisions respecting pensionable service as well as to other administrative matters. The cost of these benefit improvements will be funded by the Fund and by an increase in employee contribution rates. A retroactive payment of $2,880,821 for pension formula improvements for the period September 1, 2000 to December 31, 2000 was made in January 2001 to those persons in receipt of pension payments.

16. Privatization of the Manitoba Telephone System

On January 1, 1997, Manitoba Telephone System became a publicly traded corporation named Manitoba Telecom Services Inc. (MTS) and it assumed all responsibility for pension benefit payments for its employees and former employees. The transfer of assets to the new MTS plan was negotiated in the amount of $423,946,413 and was determined in accordance with the Pension Assets Transfer regulation, based on the December 31, 1996 actuarial valuation of the Fund. The Board continues to administer, on behalf of MTS, certain investments, which were included in the value of assets transferred to MTS.

Summary of Investments

AS AT DECEMBER 31, 2001

($) THOUSANDS	2001	2000
Fixed income investments		
Cash and Short term		
Government and corporations	$102,244	[illegible]
Bonds and debentures		
Government of Canada	387,120	[illegible]
Province of British Columbia	3,890	[illegible]
Province of Manitoba	15,352	[illegible]
Province of New Brunswick	8,137	[illegible]
Province of Newfoundland	—	[illegible]
Province of Nova Scotia	8,263	[illegible]
Province of Ontario	107,778	[illegible]
Province of Quebec	58,430	[illegible]
Province of Saskatchewan	9,589	[illegible]
Government of Northwest Territories	1,961	[illegible]
Municipal	7,036	[illegible]
Mortgage-backed securities	25,550	[illegible]
Corporations	251,834	[illegible]
Asset-backed securities	4,271	[illegible]
Mortgages		
National Housing Act (Canada)	3,379	[illegible]
Other	11,505	[illegible]
Pooled funds	644	[illegible]
Index-linked	33,261	[illegible]
Total fixed income investments	1,048,194	[illegible]
Equity investments		
Common stock		
Foreign	23,524	[illegible]
Pooled funds		
Domestic	490,986	[illegible]
Foreign	422,042	[illegible]
Real estate		
Participating bonds	60,032	[illegible]
Shares, Note 2(b)(v)	132,098	[illegible]
Units of pooled real estate	1,333	[illegible]
Administered for		
Manitoba Telecom Services Inc., Note 16	383	[illegible]
Petroleum and natural gas shares, Note 2(b)(v)	16,691	[illegible]
Venture capital	2,697	[illegible]
Total equity investments	1,090,126	[illegible]
Investments, Exhibit A	$2,240,470	[illegible]

Schedule of Contributions

FOR THE YEAR ENDED DECEMBER 31, 2001

($) THOUSANDS	2001			2000
	Employers	Employees	Total	Total
Non-matching employers, Note 1(b)				
Province of Manitoba Civil Service	$49,320	$33,298	$82,618	[illegible]
Manitoba Hydro-Electric Board	18,164	14,361	32,525	[illegible]
Liquor Control Commission	1,800	991	2,791	[illegible]
Manitoba Public Insurance Corporation	1,825	3,301	5,126	[illegible]
Addictions Foundation of Manitoba	383	574	957	[illegible]
Communities Economic Development Fund	36	49	85	[illegible]
Community Colleges				
Assiniboine Community College	24	682	706	[illegible]
Keewatin Community College	3	580	583	[illegible]
Manitoba Agricultural Credit Corporation	151	182	333	[illegible]
Manitoba Centennial Centre Corporation	191	106	297	[illegible]
Manitoba Horse Racing Commission	35	10	45	[illegible]
Red River College	113	2,435	2,548	[illegible]
Regional Health Authorities				
Brandon	–	744	744	[illegible]
Burntwood	–	58	58	[illegible]
Central	23	328	351	[illegible]
Interlake	–	272	272	[illegible]
Marquette	27	164	191	[illegible]
Norman	50	84	134	[illegible]
North Eastman	–	87	87	[illegible]
Parkland	–	285	285	[illegible]
South Eastman	58	111	169	[illegible]
South Westman	–	149	149	[illegible]
Winnipeg	1	836	837	[illegible]
Teachers' Retirement Allowances Fund Board	64	83	147	[illegible]
The Council for Post Secondary Education	32	38	70	[illegible]
The Legal Aid Services Society of Manitoba	93	398	491	[illegible]
Workers Compensation Board	37	–	37	[illegible]
Total non-matching employers	$72,430	$60,206	$132,636	[illegible]

Summary of Investments

AS AT DECEMBER 31, 2001

($) THOUSANDS	2001	2000
Fixed income investments		
Cash and Short term		
Government and corporations	$102,244	$112,790
Bonds and debentures		
Government of Canada	387,120	395,125
Province of British Columbia	3,690	30,925
Province of Manitoba	15,352	17,577
Province of New Brunswick	8,137	—
Province of Newfoundland	—	5,100
Province of Nova Scotia	8,263	14,863
Province of Ontario	107,778	92,700
Province of Quebec	58,450	64,697
Province of Saskatchewan	9,559	9,364
Government of Northwest Territories	1,961	1,938
Municipal	7,036	—
Mortgage-backed securities	25,650	48,242
Corporations	251,834	176,250
Asset-backed securities	4,271	15,307
Mortgages		
National Housing Act (Canada)	3,379	3,478
Other	11,505	12,919
Pooled funds	644	1,102
Index-linked	33,261	33,747
Total fixed income investments	1,040,134	1,036,124
Equity investments		
Common stock		
Foreign	25,524	26,223
Pooled funds		
Domestic	490,556	467,436
Foreign	422,042	384,017
Real estate		
Participating bonds	69,032	59,519
Shares, Note 2(b)(v)	132,098	93,877
Units of pooled real estate	1,333	1,690
Administered for		
Manitoba Telecom Services Inc., Note 16	363	460
Petroleum and natural gas shares, Note 2(b)(v)	56,691	67,861
Venture capital	2,697	3,342
Total equity investments	1,200,336	1,104,425
Investments, Exhibit A	$2,240,470	$2,140,549

Schedule of Contributions

FOR THE YEAR ENDED DECEMBER 31, 2001

($) THOUSANDS	2001			2000
	Employers	Employees	Total	Total
Non-matching employers, Note 1(b)				
Province of Manitoba Civil Service	$49,320	$33,298	$82,618	$75,031
Manitoba Hydro-Electric Board	18,164	14,361	32,525	28,426
Liquor Control Commission	1,800	991	2,791	2,552
Manitoba Public Insurance Corporation	1,825	3,301	5,126	4,361
Addictions Foundation of Manitoba	383	574	957	901
Communities Economic Development Fund	36	49	85	104
Community Colleges				
Assiniboine Community College	24	682	706	565
Keewatin Community College	3	580	583	471
Manitoba Agricultural Credit Corporation	151	182	333	362
Manitoba Centennial Centre Corporation	191	106	297	285
Manitoba Horse Racing Commission	35	10	45	13
Red River College	113	2,435	2,548	2,034
Regional Health Authorities				
Brandon	–	744	744	656
Burntwood	–	58	58	53
Central	23	328	351	303
Interlake	–	272	272	218
Marquette	27	164	191	136
Norman	50	84	134	85
North Eastman	–	87	87	82
Parkland	–	285	285	239
South Eastman	58	111	169	103
South Westman	–	149	149	131
Winnipeg	1	836	837	726
Teachers' Retirement Allowances Fund Board	64	83	147	124
The Council for Post Secondary Education	32	38	70	65
The Legal Aid Services Society of Manitoba	93	398	491	373
Workers Compensation Board	37	–	37	39
Total non-matching employers	$72,430	$60,206	$132,636	$118,438

Schedule of Contributions

FOR THE YEAR ENDED DECEMBER 31, 2001

($) THOUSANDS	2001			2000
	Employers	Employees	Total	Total
Total non-matching employers, continued	$72,430	$60,206	$132,636	**$118,438**
Matching employers, Note 1(b)				
Civil Service Superannuation Board	93	104	197	172
Crown Corporations Council	20	22	42	42
Economic Innovation and Technology Council	6	14	20	34
Gaming Control Commission	36	40	76	78
Industrial Technology Centre	90	101	191	170
Manitoba Arts Council	10	12	22	20
Manitoba Chicken Producers	10	11	21	18
Manitoba Crop Insurance Corporation	339	397	736	610
Manitoba Government Employees' Union	192	207	399	324
Manitoba Hazardous Waste Management Corporation	4	4	8	8
Manitoba Housing Authority	406	466	872	794
Manitoba Lotteries Corporation	104	118	222	260
Manitoba Milk Producers	42	51	93	74
Manitoba Pork Council	47	53	100	76
Manitoba Pork Marketing Co-op Inc.	21	25	46	28
Manitoba Turkey Producers' Marketing Board	5	6	11	8
National Agri-Food Technology Centre	39	44	83	72
Total matching employers	1,464	1,675	3,139	2,788
Other				
Employees on loan	6	19	25	15
Employees on workers compensation	–	3	3	5
Reciprocal agreement — transfers in	–	1,781	1,781	3,159
Reciprocal agreement — transfers out	(1,265)	(1,265)	(2,530)	(2,106)
Repayment of contributions previously refunded	–	32	32	109
Contributions based on prior non-pensionable employment	7	811	818	376
Transfer from Money Purchase Accounts Plan	–	339	339	159
Total other	(1,252)	1,720	468	1,717
Total contributions, Exhibit B	$72,642	$63,601	$136,243	$122,943

Schedule of Investment Income

FOR THE YEAR ENDED DECEMBER 31, 2001

($) THOUSANDS	2001	2000
Fixed income		
Short term	**$4,416**	$7,116
Bonds and debentures	**57,552**	58,042
Mortgages	**3,921**	4,139
Total fixed income	**65,889**	69,297
Equity income		
Common stock	**282**	116
Pooled funds	**18,490**	17,039
Real estate	**13,618**	10,616
Petroleum and natural gas shares	**15,919**	8,717
Venture capital	**–**	56
Total equity income	**48,309**	36,544
(Decrease) increase in fair value of investments	**(47,330)**	13,132
Realized gains on sale of investments	**42,938**	79,066
Gross investment income	**109,806**	198,039
Less:		
Investment management expenses, net, Note 13	**2,164**	2,664
Transfer to Province of Manitoba unfunded pension liability trust account	**556**	–
Transfer to correctional officers' trust account	**71**	104
Transfer to employer trust accounts	**1,394**	3,340
Transfer to Money Purchase Plan accounts	**378**	791
	4,563	6,899
Net investment income, Exhibit B	**$105,243**	$191,140

Schedule of Contributions

FOR THE YEAR ENDED DECEMBER 31, 2001

($) THOUSANDS	2001			2000
	Employers	Employees	Total	Total
Total non-matching employers, continued	$72,430	$60,206	$132,636	$130,433
Matching employers, Note 1(b)				
Civil Service Superannuation Board	93	104	197	172
Crown Corporations Council	20	22	42	42
Economic Innovation and Technology Council	6	14	20	24
Gaming Control Commission	36	40	76	78
Industrial Technology Centre	90	101	191	170
Manitoba Arts Council	10	12	22	20
Manitoba Chicken Producers	10	11	21	18
Manitoba Crop Insurance Corporation	330	387	716	610
Manitoba Government Employees' Union	192	207	399	384
Manitoba Hazardous Waste Management Corporation	4	4	8	8
Manitoba Housing Authority	406	466	872	794
Manitoba Lotteries Corporation	104	118	222	200
Manitoba Milk Producers	42	51	93	74
Manitoba Pork Council	47	53	100	76
Manitoba Pork Marketing Co-op Inc.	21	25	46	28
Manitoba Turkey Producers' Marketing Board	5	6	11	8
National Agri-Food Technology Centre	39	44	83	72
Total matching employers	1,464	1,675	3,139	2,700
Other				
Employees on loan	6	19	25	15
Employees on workers compensation	–	3	3	5
Reciprocal agreement — transfers in	–	1,781	1,781	3,150
Reciprocal agreement — transfers out	(1,285)	(1,285)	(2,570)	(2,106)
Repayment of contributions previously refunded	–	32	32	100
Contributions based on prior non-pensionable employment	7	811	818	376
Transfer from Money Purchase Accounts Plan	–	339	339	159
Total other	(1,252)	1,720	468	1,717
Total contributions, Exhibit B	$72,642	$63,601	$136,243	$132,849

Schedule of Investment Income

FOR THE YEAR ENDED DECEMBER 31, 2001

($) THOUSANDS	2001	2000
Fixed income		
Short term	$4,416	$7,116
Bonds and debentures	$57,952	$58,042
Mortgages	3,921	4,139
Total fixed income	65,889	69,297
Equity income		
Common stock	282	116
Pooled funds	18,490	17,039
Real estate	13,618	10,616
Petroleum and natural gas shares	15,919	8,717
Venture capital	–	56
Total equity income	48,309	36,544
(Decrease) increase in fair value of investments	(47,330)	13,132
Realized gains on sale of investments	42,938	79,066
Gross investment income	109,806	198,039
Less:		
Investment management expenses, net, Note 13	2,164	2,864
Transfer to Province of Manitoba unfunded pension liability trust account	556	–
Transfer to correctional officers' trust account	71	104
Transfer to employer trust accounts	1,394	3,340
Transfer to Money Purchase Plan accounts	378	791
	4,563	6,899
Net investment income, Exhibit B	$105,243	$191,140